



ULAN COAL MINES LIMITED
A.B.N. 80 000 189 248



30 April 2007
SEQ: 41/07

NSW Department of Primary Industries-
Mineral Resources
Acting Regional Environmental Manager
Locked Bag 21
ORANGE NSW 2800

Attention: MS Kaye Oxley

Dear Kay

**RE: Subsidence Management Plan (SMP) - Risk Assessment and Preparation of
SMP Risk Register - Panels W2, W3**

Ulan Coal Mines Ltd (UCML) is located approximately 45km northeast of Mudgee in the central tablelands of NSW. Underground longwall coal mining has been undertaken at the site for over two decades and current operations are occurring within the area approved under Development Consent (DA-112-12-98) and Mining Lease ML1468.

UCML is currently preparing an application for subsidence management approval to the NSW Department of Primary Industries - Mineral Resources (DPI-MR) for underground mining of two longwall panels (West 2 and West 3) located within the consented area (see attached plan).

In accordance with the requirements of the DPI-MR guidelines for the preparation of subsidence management applications (2003), a risk assessment covering key issues specifically relating to mine subsidence within the affected area is to be prepared. The process included a review of all available information within the area, including infrastructure, heritage and the environment among other factors required by DPI-MR.

Please find attached to this letter a draft copy of the Subsidence and Environmental Risk Assessment for the application area prepared by UCML and a team of technical specialists. Also attached is a summary document that description of how the risks ratings have been determined.

Corporate Office & Stores: 4505 Ulan Road, ULAN N.S.W. 2850
Private Mail Bag 3006, MUDGEE N.S.W 2850

Phone: (02) 6372 5300 Facsimile: (02) 6372 5333

Registered Office: Level 38, 1 Macquarie Place Sydney, N.S.W. 2000, Australia

UCML invites your comments on the risk assessment and specifically the risks identified as to ensure that your specific areas of concern are addressed within any potential application. It is requested that any comments be provided to the following address by the **21 May 2007**:

Mr Phil English
Environment and Community Manager
Ulan Coal Mines Limited
PMB 3006
MUDGEES NSW 2850

Should you wish to discuss this matter further or require any further information, please contact Phil English on (02) 6372 5387 or email penglish@xstratacoal.com.au.

Yours sincerely,

MURRAY WOOD
Operations Manager
Ulan Coal Mine

Attached: Draft Subsidence and Environmental Risk Assessment (W2+W3)